

CONFIDENTIAL

1

ORIGINAL

IN THE CIRCUIT COURT
TWENTIETH JUDICIAL CIRCUIT
ST. CLAIR COUNTY, ILLINOIS
NO. 91-L-734

CHARLES KUEPER, ~~and PATRICIA~~
~~KUEPER, Individually, and~~
~~PATRICIA KUEPER, as Mother~~
~~and Next Friend of JEFFREY~~
~~KUEPER,~~

Plaintiffs,

vs.

L.J. Reynolds Tobacco Co., et al.
~~R.J.R., et al, and REESE~~
~~DRUGS, INC.,~~

Defendants.

DISCOVERY DEPOSITION OF:

THOMAS C. GRISCOM

The discovery deposition of THOMAS C. GRISCOM was
taken in Meeting Room 225 of the Embassy Suites Hotel, 204
Centreport Drive, Greensboro, North Carolina, commencing at
12:50 p.m. on Friday, October 2, 1992.

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4884

APPEARANCES

1
2 On behalf of the Plaintiffs:

3 BRUCE N. COOK, ESQUIRE

4 Cook, Shevlin & Keefe, Ltd.

12 West Lincoln Street

Belleville, Illinois 62220

5 VICTOR R. COOK, ESQUIRE

6 Cook, Shevlin & Keefe, Ltd.

7 502 Public Square

Benton, Illinois 62812

8 On behalf of ~~R.J.R.~~ *R.J. Reynolds Tobacco Co.*

9 PAUL G. CRIST, ESQUIRE

10 Jones, Day, Reavis & Pogue

11 North Point

12 901 Lakeside Avenue

13 Cleveland, Ohio 44114

14 RICHARD E. BOYLE, ESQUIRE

15 Gundlach, Lee, Eggmann, Boyle & Roessler

16 5000 West Main Street

17 Box 899

18 Belleville, Illinois 62223

19 On behalf of Reese Drugs, Inc.:

20 MICHAEL J. NESTER, ESQUIRE

21 Donovan, Rose, Nester & Szewczyk, P.C.

22 8 East Washington Street

23 Belleville, Illinois 62220

24 Also Present:

25 DANIEL W. DONAHUE

Vice President & Deputy General Counsel--

Litigation

R.J. Reynolds Tobacco Co.

SANDRA HARPER, NOTARY PUBLIC AND COURT REPORTER

Sandra Harper & Associates

501 Shepherd Street

Winston-Salem, N.C. 27103

Phone (919) 768-3694

INDEX

<u>WITNESS</u>	<u>EXAMINATION BY</u>	<u>PAGE</u>
Thomas C. Griscom	Mr. Cook	6

CONFIDENTIALITY

<u>ITEM</u>	<u>PAGE</u>
Salary of Mr. Griscom	17/18
Stock owned by Mr. Griscom	37/38/39/40/41
RJR expenditures on advertising and promotion	53

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4886

STIPULATIONS

This discovery deposition is being taken
pursuant to the Rules of the Supreme Court of the
State of Illinois.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4887

1 WHEREUPON,

2 THOMAS C. GRISCOM

3 first being duly sworn, testified as follows:

4 MR. COOK: I would point out on the record for
5 counsel just so that you're aware of the fact that
6 I don't think that there's any way that the reports
7 that were shown to Mr. Simmons, if they were
8 privileged before, can any longer be privileged and
9 should be produced, and I have sent you this day; and
10 you have waiting in your office a Rule 237 notice
11 ordering you to produce at 1:30 p.m. Monday a full
12 copy of the report and Mr. William S. Simmons at
13 1:30 p.m. I considered noticing you up to bring
14 Mr. Weber also, but I'm not really sure if you have
15 to do that since he's counsel; and I didn't do that.
16 But in any event you can get the notice, and you can
17 respond in any way you see fit.

18 MR. BOYLE: Well, of course, it's privileged
19 under the attorney/client privilege.

20 MR. COOK: What is?

21 MR. BOYLE: The document that was shown to
22 Dr. Simmons.

23 MR. COOK: Well, you can bring it there and
24 raise that with the Judge.

25 MR. BOYLE: And also the 237 notice is to produce

1 things at the trial, not on a Monday morning at a
2 Friday deposition.

3 MR. COOK: Well, you and I have a different
4 understanding of those things but in any event you're
5 on notice.

6 EXAMINATION BY MR. COOK

7 Q (By Mr. Cook) Would you state your name and
8 address, sir?

9 A Thomas C. Griscom, [DELETED]

10
11 Q Mr. Griscom, how old a man are you, sir?

12 A Forty-two.

13 Q And are you married?

14 A Yes, sir.

15 Q Do you have children?

16 A Yes, sir.

17 Q Do you smoke cigarettes?

18 A Yes, I do.

19 Q What brand do you smoke?

20 A I smoke Premiers.

21 Q How long have you been smoking them?

22 A Premiers?

23 Q Yes, sir.

24 A For about six months.

25 Q What did you smoke before you smoked Premiers?

1 A Prior to that back in the late '70s and early
2 '80s I smoked Winston Lights.

3 Q Do I understand from your answer that there was a
4 period of time when you quit smoking?

5 A That is correct.

6 Q And when did you quit?

7 A I quit in 1982.

8 Q Did you quit on the advice of a physician?

9 A I did not.

10 Q Did you have any difficulty quitting?

11 A I did not.

12 Q Does your wife smoke?

13 A No.

14 Q Has she ever?

15 A To the best of my knowledge, she has not.

16 Q How many children do you have?

17 A Three.

18 Q And what are their ages?

19 A I've got a son who is 16; I've got a son and a
20 daughter who are 9.

21 Q Paternal twins? ← (Fraternal) 3

22 A That is correct.

23 Q Jesus Christ, how smart I am.

24 A That's pretty good. I can't tell you how many
25 people have felt that a boy and girl are identical twins.

1 Q Well, I thought that until just two days ago.
2 Your 16 year old, have you had discussions with him about
3 cigarette smoking?

4 A Yes, I have.

5 Q And have you discouraged him from smoking?

6 A Yes, I have.

7 Q Has he tried cigarettes?

8 A Yes, he has.

9 Q Do you think that your son uses you as a role
10 model, Mr. Griscom?

11 A I hope that he respects me as a father and as a
12 parent.

13 Q And where did you attend college?

14 A I attended the University of Tennessee--

15 Q The Volunteers--no--

16 A --in Chattanooga.

17 Q Oh, you shouldn't have. What are they?

18 A They're the Moccasins.

19 Q Tremendous. I didn't even try.

20 MR. CRIST: I didn't even try.

21 MR. COOK: I knew what you were thinking.

22 MR. CRIST: I was thinking; you didn't try it
23 with Mr. Ford either, Bruce.

24 MR. COOK: No, Ford was the one I didn't try on.

25 MR. CRIST: You just asked.

1 Q Do you have your Bachelor's Degree from the
2 University of Tennessee?

3 A I do.

4 Q And what about--do you have a Master's Degree
5 from anywhere?

6 A No.

7 Q What year did you graduate from the University of
8 Tennessee?

9 A 1971.

10 Q What was your major field of study?

11 A English, with a concentration in American
12 literature.

13 Q A Faulkner man I guess?

14 A Among others, that's correct.

15 MR. COOK: Off the record.

16 (Discussion off the record)

17 MR. COOK: Back on the record.

18 Q (By Mr. Cook) After you graduated where did you
19 first work?

20 A Well, my first job was before I graduated, and I
21 worked at the "Chattanooga Times" which is the morning
22 newspaper in Chattanooga, Tennessee, and did weekend sports
23 correspondent work for about a year and a half to two
24 years.

25 MR. COOK: Off the record.

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4892

1 (Discussion off the record)

2 MR. COOK: Back on the record.

3 Q (By Mr. Cook) Why don't you tell me when you got
4 to RJR?

5 A Do you want me to--

6 Q No, just when did you start with RJR?

7 A When I came here--I came to R. J. Reynolds in
8 August of 1990.

9 Q Did you work for newspapers from 19 whatever to--

10 A That and other things.

11 Q Why don't you just tell me?

12 A Okay. When I graduated from college, I went to
13 work for the "Chattanooga News Free Press" which is the
14 afternoon paper in Chattanooga, Tennessee, and started off
15 as a general assignment reporter and then became a county
16 reporter covering county government and then became the
17 political writer for the newspaper and did that for five
18 years. Then in 1978 I went to work for Bob Clement whose
19 father, Frank Clement, was a fairly prominent Tennessee and
20 national politician. Bob was running for Governor as a
21 Democrat, and I worked for Bob. He was not successful in
22 the primary and then at that point I got a call from
23 Senator Howard Baker and became his Press Secretary for his
24 re-election campaign in Tennessee in 1978. After that
25 election was over, he hired me to go on

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4893

1 his staff, and I went to Washington in December of that
2 year as his Deputy Press Secretary and served in that role
3 for a period of time before I transferred over to his
4 Presidential campaign where I served as his National
5 Spokesperson and Communication Director for the brief
6 period of time that he ran for President of the United
7 States. When that ended I went back on his Senate staff
8 and went on his staff then as his Administrative Assistant
9 in the Tennessee office. Then in 1981 I transferred over
10 to the Majority Leader staff and became his Press Secretary
11 and served in that position through the remainder of his
12 last term in the Senate which ended in 1984. After '84
13 then I became the Executive Director of the National
14 Republican Senatorial Campaign Committee where I had
15 responsibility for 34 Senate races that were up for
16 election in that cycle. Upon completion of that job, I
17 went for a brief period of time to Oglesby & Mather Public
18 Affairs with Jody Powell and Jody was Chairman, and I was
19 the President and COO and stayed for just a couple of
20 months because then Senator Baker got tapped to be the
21 Chief of Staff in the White House. I went in with him to
22 the White House. I was one of two people responsible for
23 doing the transition.

24 Q Did you know B. Oglesby before you went in there?

25 A Yes, I did. I did the transition and then at the

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4894

1 end of the transition I became Assistant to the President
2 for communication and planning, ^{for} President Reagan, and
3 served in that capacity until July of 1988. At that time
4 my wife and kids and myself moved back to Tennessee to my
5 hometown, Chattanooga, where for approximately two years I
6 held the George R. West Chair of Communication and Public
7 Affairs at the University of Tennessee, Chattanooga, and
8 then from there I came to R. J. Reynolds ~~then~~ ³ in August of
9 1990.

10 Q What do you do at R. J. Reynolds, Mr. Griscom?

11 A I am the Executive Vice President for External
12 Relations for the company.

13 Q What does that mean?

14 A The areas that report to me are Public Relations,
15 all of the contribution programs, being company
16 contribution programs, the things that we do in the
17 community. I manage the corporate affairs programs, public
18 affairs and public issues.

19 Q What do you have to do with the Tobacco
20 Institute?

21 A In my role I serve today on the Management
22 Committee for the Tobacco Institute.

23 Q Does that have mostly have to do with the
24 internal running of the Tobacco Institute or mostly
25 political things?

1 A ²⁰~~Now~~ The Management Committee was set up earlier
2 this year and our purpose--and there's a representative
3 from each of the member companies, and we serve more--
4 meeting once a month to try to have more regular contact
5 with the Tobacco Institute, with the staff people, to help
6 them in making decisions on direction that the Institute
7 will take including budget decisions as well.

8 Q Do you work with TIPAC?

9 A No, I do not.

10 Q Do you know what TIPAC is?

11 A Yes, I do.

12 Q Do you contribute money to TIPAC?

13 A I have contributed money through R. J. Reynolds
14 to TIPAC, yes.

15 Q Do you know what TOPAC is?

16 A No, I do not.

17 Q Did you see the movie, "Topaz"?

18 A No, but there's a book by that name.

19 Q Yes, there is. Didn't Leon ^{Uris}~~Euris~~ write it?

20 A He sure did.

21 Q The movie, "Topaz," and the book, "Topaz," are
22 about different subjects but the movie, "Topaz," starred
23 Melina Mercouri who served in the House of Delegates or the
24 Parliament in Greece. I thought you would know that. With
25 respect to internal affairs at RJR, do you have anything to

1 do with RJR's PAC or PACs?

2 A Did you ask me in the role for ^{external} ~~internal~~ affairs?

3 Q No, no.

4 A I'm sorry; I didn't hear you.

5 Q The preparatory remark wasn't important. Do you
6 have to do with RJR's PAC or PACs?

7 A No, I have no responsibility for managing any of
8 the PACs or any of the contributions that are made by the
9 PAC.

10 Q I must have misunderstood your other answer.
11 What do you have to do with politics at RJR--not internal
12 politics but do you do anything--do you lobby?

13 A No, you know, I've never lobbied.

14 Q Do you go to LaQuinta; have you been there--Palm
15 Desert?

16 A Are you talking about the Tobacco Institute
17 legislative meeting?

18 Q Yes.

19 A Yes, I've been there one time.

20 Q Did you have a good time?

21 A I only stayed for one day so it was a trip out
22 and a trip back to Winston-Salem.

23 Q Why did you go?

24 A I went in my role as a member of the Management
25 Committee, a representative of R. J. Reynolds.

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4897

1 Q Did you go to any of the programs?

2 A No, I did not.

3 Q Did you see any congressmen or senators that you
4 knew?

5 A No, I did not.

6 Q Would you consider yourself a friend of Senator
7 Danforth?

8 A I do know Senator Danforth, yes.

9 Q How about Senator Dixon from my state, do you
10 know Alan?

11 A Yes, I do.

12 Q Do you like Alan; he's looking for a job?

13 A Well, Senator Dixon--you know, I got to know
14 Senator Dixon when he got elected because of his connection
15 to Everett Dirksen.

16 Q And because Senator Baker is married to Everett
17 Dirksen's daughter?

18 A That's right, and so that's how I got to know--

19 Q Marigolds?

20 A That's correct.

21 Q And Senator Percy was married to Senator Baker's
22 daughter?

23 A No.

24 Q Oh, what was the relationship there; there was a
25 relationship between Baker and Percy?

1 A No.

2 Q Yes, there was. There was a marital
3 relationship. There are two children that are married.
4 They married each other.

5 A They didn't--

6 Q These guys always try to marry into Illinois; we
7 know that.

8 A I think the Percy connection is to the
9 Rockefeller family.

10 Q I bet you're right; I was wrong. *Jane* *3ay 3*
11 Rockefeller is married to Percy's daughter.

12 A That's correct.

13 Q That's right; that's right.

14 MR. CRIST: Bruce, Reynolds just hires Illinois
15 people.

16 MR. COOK: Like B. Oglesby--there he is from
17 Florida--goddang, Washington is a long way from
18 Florida or Illinois.

19 Q (By Mr. Cook) Some way or the other I missed--
20 when we were talking about your initial duties--perhaps you
21 had better back up--

22 MR. CRIST: I think he said company
23 contributions, Bruce.

24 Q (By Mr. Cook) Are you talking about charitable
25 contributions?

1 A Yes.

2 Q I don't even think about anything like that for
3 God's sake.

4 A That's part of what I deal with. That's the
5 contribution side.

6 Q Do you guys give money to the American Cancer
7 Society?

8 A Not to my knowledge.

9 Q How about the American Lung?

10 A Not to my knowledge.

11 Q Mr. Griscom, how much are you paid?

12 A My base salary is \$230,000; I think that's the
13 exact amount.

14 Q And what about bonuses or perks?

15 A I have a bonus target that is--I want to say--
16 it's potentially 50 percent of my base.

17 Q How do you get that?

18 A Part of it is by my own personal performance as
19 an employee of the company and the other part is based on
20 the business unit contribution that the Tobacco Company
21 makes to the overall company, and I do participate in a
22 perk program that's available to me.

23 Q Well, how much money did you make last year,
24 1991?

25 A Last year--I want to say total it was around

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103

Phone: (919) 768-3694

50833 4900

1 \$350,000 or \$375,000 I think; I may be off a little bit but
2 that's close to what I made.

3 MR. CRIST: Bruce, I'd like to treat this as
4 confidential.

5 MR. COOK: Certainly.

6 Q (By Mr. Cook) Do you belong to the RJR PAC?

7 A I contribute to the RJR PAC.

8 Q Who manages that?

9 A The PAC is managed out of the government
10 relations side, B. Oglesby.

11 Q So he would know how much money, if I wanted to
12 find out, that they give to various officials?

13 A I would assume; I do not know.

14 Q Have you ever been to Saint Louis?

15 A Yes, I have.

16 Q Do you like Saint Louis?

17 A I think Saint Louis is a pretty city.

18 Q Have you ever been in East Saint Louis?

19 A Well, I'm--we've been out there with Senator
20 Baker on some campaign visits, but I would have to--I'm
21 trying to recall whether in campaign³ for Senator Danforth
22 or Senator Bond if we went into East Saint Louis. I cannot
23 tell you what part of Saint Louis we--we went to several
24 different parts of it.

25 MR. COOK: Off the record.

1 (Discussion off the record)

2 MR. COOK: Back on the record.

3 Q (By Mr. Cook) So the management decisions that
4 you make at the Tobacco Institute, they don't have anything
5 to do particularly with--I mean, these are internal house
6 management things, who does what, what they should do? Do
7 you meet with the--you're a media person kind of at least
8 in your background. Do you meet with them and make
9 decision as to who will appear on what programs and things
10 like that?

11 A If there are particular issues that we're working
12 on, part of our role would be to get an idea of how the
13 Tobacco Institute is going to approach a particular issue,
14 you know, what kind of presentation they may be making and
15 what kind of people that they may make available in
16 whatever the setting is.

17 Q Well, are there any issues right now with respect
18 to banning or restricting the use of vending machines for
19 the sale of cigarettes?

20 A Well, most legislatures are out so there have
21 been some bills considered in 1992, and I would expect
22 there will be some more bills in 1993.

23 Q What is your position or what's RJR's position
24 with respect to that?

25 A As it relates to vending machines, our position,

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4902

1 and I think it's fair to say it reflects the position of
2 the industry is that we have been supportive of measures
3 that are proposed to try to further restrict access to
4 vending machines to people who are underage.

5 Q And why do you do that?

6 A I think we take that position in this and some of
7 the other things that we do that relate to youth access
8 because today there's a growing concern about underage
9 people being able to obtain cigarettes and if you can take
10 appropriate steps to try to address that concern, that
11 those ought to be--you know, that those steps ought to be
12 taken.

13 Q Is there any reason why you said, "Today there is
14 a concern"?

15 A I say that because I'm talking about in the
16 reference of the time that I've been with the company. You
17 know, I have not been affiliated with the tobacco industry
18 or the Tobacco Institute prior to my coming to Reynolds. I
19 can talk about what I know and the actions that I've been
20 involved with.

21 MR. COOK: Off the record.

22 (Break taken from 1:15 p.m. until 1:18 p.m.)

23 MR. COOK: Back on the record.

24 Q (By Mr. Cook) I assume then you've had some
25 connection with the Tobacco Institute's Youth Smoking

1 Program?

2 A Yes, I have.

3 Q Okay. And I bet you that you don't think that
4 children should start to smoke?

5 A I think I represent the position, not only myself
6 personally but also the position of our company.

7 Q And that just dovetails as far as you're
8 concerned with the vending machine thing; you recognize
9 that vending machines can't tell how old you are?

10 A I think that there are a number of issues that
11 you look at as it relates to underage smoking and that the
12 vending issue is one of them. The issue of raising minimum
13 age to a standard age of 18 is another one. There are
14 several--

15 Q What's wrong with 21?

16 A I think society has basically made a decision
17 that 18 is the age where someone can make a decision to
18 smoke or not.

19 Q Do you think society has made that decision or do
20 you think the cigarette industry has made that decision?

21 A I think people who are elected by--you know, all
22 over the country who serve as State legislators have
23 addressed the issue and have stated their point of view,
24 and I think they represent the point of view of the people
25 that they serve.

1 Q What do you think about the tobacco industry
2 paying large sums of money to these people who are voting
3 on this issue? They do; don't they?

4 MR. CRIST: Object to the form of the question.

5 THE WITNESS: I don't know how much money is
6 contributed to people because that's not information
7 available to me.

8 Q (By Mr. Cook) I was asking you about vending
9 machines. You recognize that if you're against youth
10 smoking that unrestricted access to vending machines may
11 create a problem; is that true?

12 A I think there are steps being taken to try to
13 provide greater supervision of vending machines to try to
14 limit youth access to those machines.

15 Q I would really like for you to answer my
16 question. I know you're an English major so you can do
17 that. My question was--

18 MR. CRIST: I object to your being argumentative,
19 Bruce.

20 Q (By Mr. Cook) --that you recognized that if
21 there was unrestricted use of cigarette vending machines,
22 that a problem might happen because kids can get cigarettes
23 without anybody being there to supervise them, right?

24 A The potential may be there that someone underage
25 could have access to cigarettes by a vending machine if

1 they are not supervised. Whether they do that or not, I
2 don't know, but I think part of what we're trying to do is
3 to address that concern and to try to find out if there are
4 ways to appropriately supervise access to those machines.

5 Q What I'm trying to find out--now I--it's my
6 understanding that of the people who smoke that about 80
7 percent started when they were teenagers; is that your
8 understanding?

9 A I would have to--have to say--you know, it
10 depends on what you're terming as a teenager.

11 Q A teenager means--I don't mean anything by it.
12 What do you think a teenager is?

13 A Well, the reason I raise that is that there are
14 people who are 18 years old who can legally make the
15 decision to smoke or not who--

16 Q There are people who are 14 years old that can
17 make that decision legally to smoke or not depending on
18 what the laws are in particular states; isn't that true?

19 A There's only I think three states left in the
20 country right now that don't have an age of at least 18--

21 Q So the answer to my question is, "Yes, there are
22 places where 14 year olds can make that decision." You and
23 I aren't engaged in a debate here, Mr. Griscom. I get to
24 ask you questions; you have to answer them. There are
25 places in the United States where 14 year olds can legally

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4906

1 smoke; isn't that true?

2 MR. CRIST: I object to the form of the question,
3 and I also object to the manner in which the question
4 was delivered including the sliding of the glass.

5 MR. COOK: Well, I didn't slide the glass on
6 purpose, and I'm getting sick of this shit.

7 MR. CRIST: The question is, are there places in
8 which people under the age of 18 can lawfully purchase
9 cigarettes.

10 Q (By Mr. Cook) No, the question is, there are
11 places in the United States where 14 year olds--you can't
12 hear either--can legally purchase cigarettes; aren't there?

13 A I think there is one state in the Union.

14 Q Well, wait a minute; I don't care whether there
15 is half a state in the Union. My question is, there are
16 places in the United States or there is a place in the
17 United States where 14 year olds can legally buy
18 cigarettes; isn't that true?

19 MR. CRIST: I object to the form of the question,
20 and I also object to its delivery. You can answer if
21 you know.

22 THE WITNESS: And my answer to the question is,
23 to the best of my knowledge, I think there is one
24 state remaining in the United States where someone
25 who is under the age of either 18 or 17--there's one

1 state that it's 17--where you could purchase
2 cigarettes.

3 Q (By Mr. Cook) Well, it's legal in this state to
4 purchase cigarettes at 17; is it not?

5 A No, the age in North Carolina has been raised to
6 18.

7 Q When?

8 A It was raised last year.

9 Q When--the last time I was here it was still 17.

10 A Well, it's my understanding that the legislature
11 raised the age in North Carolina to 18; I think I'm
12 correct.

13 Q All right. How many children do you think the
14 Attorney General says start smoking a day in the United
15 States?

16 MR. CRIST: Object to the form of the question.

17 THE WITNESS: I have not heard the Attorney
18 General--

19 MR. COOK: I said, "Surgeon General."

20 MR. CRIST: No, you didn't.

21 MR. COOK: I meant Surgeon General.

22 THE WITNESS: Could you repeat it because--

23 MR. COOK: Sure.

24 Q (By Mr. Cook) How many people--how many underage
25 people start smoking cigarettes daily in the United

1 States?

2 A I don't know.

3 Q Do you think it's more than 50?

4 A I don't know.

5 Q Have you bothered to read the Surgeon General's
6 Report on youth smoking?

7 A I have not read the Surgeon General's Report
8 cover to cover, no, sir.

9 Q Have you read anything by anybody saying that
10 there is a problem with teenagers smoking in the United
11 States?

12 A Yes, sir.

13 Q All right. What have you read?

14 A I have read that the incidence of underage
15 smoking has declined over the last ten years and that there
16 is continued interest in trying to continue a decline in
17 underage smoking.

18 Q Do you agree with the teaching of children not to
19 smoke cigarettes in grade school?

20 A I have no problem in educating children about the
21 issues of smoking, no, sir.

22 Q I didn't ask you if you had a problem; I asked
23 you if you agree with it.

24 A I said, "I personally think that material in
25 front of kids to make them aware of issues related to

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4909

1 smoking is fine; I have no problem with that."

2 Q I didn't ask you whether you were neutral on it
3 or whether you didn't have a problem with it. I asked you
4 if you agree with it. If you don't agree or you don't have
5 any opinion about it, tell me because you're telling me you
6 don't have any problem. I don't care what you've got a
7 problem about. I want to know, do you agree with the
8 initiatives in schools to teach children not to smoke
9 cigarettes?

10 MR. CRIST: I object to the form of the question,
11 and I also object to the manner in which it was
12 delivered.

13 MR. COOK: I object to the answers so we're
14 even.

15 MR. CRIST: The answer was fully responsive to
16 it, Bruce.

17 MR. COOK: Oh, bullshit.

18 MR. CRIST: You're playing with words.

19 MR. COOK: I am not playing with words.

20 MR. CRIST: The answer was meaningful.

21 MR. COOK: The answer was meaningful to you.

22 Q (By Mr. Cook) Now you listen to this. You try
23 this, Vice President--

24 MR. CRIST; Bruce, calm down.

25 Q (By Mr. Cook) --\$350,000 a year killing kids--

1 now you try this for a second. Are you ashamed of yourself
2 in your job by the way?

3 MR. CRIST: I object to the form of the question.

4 Q (By Mr. Cook) Are you ashamed of your job?

5 A No, sir, I am not ashamed to do the job that I
6 do.

7 Q Now do you know that the Surgeon General says
8 that 1,000 people a day die from smoking cigarettes; are
9 you aware of that?

10 A I do not know the specific number the Surgeon
11 General says, no, sir.

12 Q Well, would it make a difference to you whether
13 it was 1 or 1,000 that die a day?

14 A I--you know, whatever number is out there is the
15 number that is available that Surgeon General whomever may
16 state.

17 Q I mean, you're a person. You're an English
18 major. You're a Republican. Don't you care about people
19 dying from the use of your product, sir?

20 MR. CRIST: Object to the form of the question.

21 THE WITNESS: I think that people are pretty
22 well aware of the issues that relate to cigarettes
23 and smoking.

24 Q (By Mr. Cook) I didn't ask you that. People may
25 very well be aware, Mr. Griscom. I asked, do you have any

1 problem with people dying from the use of your product. If
2 it's okay with you, say it's okay. Don't tell me people
3 know they're going to die. I don't care whether they know
4 they're going to die or not.

5 MR. CRIST: Object to the form.

6 Q (By Mr. Cook) I want to know, do you have any
7 problem with people dying from the use of your product?

8 MR. CRIST: Object to the form of the question.

9 THE WITNESS: I think that people who decide to
10 smoke are fully aware of the issues that have been
11 out for a number of years concerning smoking and
12 health, that they're aware of that. They are aware
13 of the warnings that are out there and that it's a
14 legal product and people, after getting information
15 that's available to them, can make a decision of
16 whether to use the product or not.

17 Q (By Mr. Cook) And then it's okay if they make
18 the decision and then they die from it--

19 A There is a--

20 Q --because I didn't ask you any of that. I asked
21 you--I'm asking you personally, sir. See, you work for an
22 industry that some people think shouldn't be allowed to
23 exist; you're aware of that, aren't you?

24 MR. CRIST: Object to the form.

25 A (By Mr. Cook) I mean, there are people who say

1 that you should not be able to make your product; you know
2 that, don't you?

3 A I think there are people who have some strong
4 feelings about our industry on both sides of it, yes, sir.

5 Q Yes. But, see, I mean--I really don't care
6 whether there's somebody on the other side. I was just
7 asking you about one side. Now there are people who will
8 not--in commercial enterprises that will not accept tobacco
9 industry money for advertisement, aren't there, because
10 they think that it's peddling death; don't they?

11 MR. CRIST: Object to the form of the question.

12 THE WITNESS: I think there are people in the
13 media who make decisions not to accept advertising
14 from tobacco and from other product categories as
15 well and that is a decision that those publications
16 make, and they make that as an editorial position for
17 that publication. Yes, sir, that is true.

18 Q (By Mr. Cook) Do you think that children should
19 be taught in school that they should not smoke cigarettes?

20 A I think that children should be given all the
21 information available about smoking very similar to the
22 information that I make available to my own children about
23 the issue of smoking.

24 Q Do you think that children should be taught in
25 school not to smoke cigarettes?

1 A I think that's appropriate; I have no problem
2 with that.

3 Q That's all I ever asked you.

4 A Well, that's the same answer that I have given
5 you--

6 Q No, it isn't.

7 A --two times.

8 Q You say you don't have any problem with it. You
9 think it is appropriate that children be taught that
10 cigarettes may damage their health, don't you, if they
11 smoke them? You think that; don't you?

12 A I think it is appropriate for children to have
13 information available to them about smoking, yes, sir.

14 Q What is the information that--since you designed
15 this program, what is the information that they should have
16 available to them?

17 A There is a lot of information out there many of
18 which, you know, are not part of the program that we're
19 involved with or that the industry is involved with.

20 Q I didn't ask you that. I asked you what
21 information should be made available to the children. I
22 don't care what the industry does. I think that your
23 industry deliberately hoodwinks people, bribes legislatures
24 and kills kids; that's what I think. So I don't care what
25 your industry does. What I want to know is what you think

Sandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4914

1 the children should be taught. I don't care what the
2 industry does--you, Griscom.

3 MR. CRIST: I object to the form of the question,
4 Bruce. In fact, you did very specifically ask him
5 what was contained in the industry material and that's
6 what he was trying to respond to. I understand
7 there's now a new question on the table which is,
8 what do you think the children ought to be taught.

9 THE WITNESS: I think it's appropriate for
10 children to hear information that's available to them
11 from various sources including the Federal government,
12 the Cancer Society, other people, that talks about the
13 issues of smoking and health.

14 Q (By Mr. Cook) What is that information?

15 A That information talks about some of the health
16 impact.

17 Q What is it? I mean, I want to know what you
18 think. You're an educated man. You sat by the right hand
19 of the mighty when the government was going on. What
20 should kids be taught, not what the American Cancer Society
21 says, not this, but should kids be taught--for example,
22 should kids be taught that if they start to smoke
23 cigarettes, that they might become addicted to cigarettes?

24 MR. CRIST: Object to the form.

25 Q (By Mr. Cook) Should they be taught that?

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

50833 4915

1 MR. CRIST: Object to the form of the question.
2 You can answer.

3 THE WITNESS: I think that children should have
4 all the information available to them whether it
5 involves the issues relating to smoking and health or
6 whether it involves issues relating to peer pressure,
7 peer influence and things like that because I believe
8 there are a number of things as children grow up that
9 impact them in making certain decisions, and I think
10 a total program includes messages that do talk about
11 health related issues but also messages that talk
12 about influences they may receive from people around
13 them, people they associate with and others.

14 Q (By Mr. Cook) Do you recall my question?

15 MR. CRIST: I object to that.

16 Q (By Mr. Cook) That's my question; do you recall
17 my question?

18 A I believe your question was, what kind of
19 information do I believe that children should have
20 available to them.

21 Q No. Perhaps that's the problem. It may be my
22 northern accent that's doing this. My question to you was
23 this; now listen to it very carefully. I'll write it out
24 for you if you want. I said, "Should children be taught if
25 they start smoking that they may become addicted to

1 cigarettes; should they be taught that"? That is my
2 question.

3 MR. CRIST: Object to the form of the question.

4 Go ahead.

5 THE WITNESS: I think children should be taught
6 information--

7 Q (By Mr. Cook) No, I want to know, should they be
8 taught this specific information--if they start to smoke,
9 they'll become addicted; should they be taught that? Not
10 what you want to answer--when I was in the bathroom, you
11 should have answered all of those. I get to ask you these
12 questions. You may think it's an unfair question or you
13 don't think it's unfair. Should children in schools now be
14 taught that if they start to smoke, they become addicted to
15 cigarettes?

16 MR. CRIST: Object to the form of the question.

17 Q (By Mr. Cook) You can say you don't have an
18 opinion about it. You can say, "No," or you can say,
19 "Yes," but you can't get away with telling me that they
20 should be given an entire package. I want you to answer
21 that question.

22 A If that information is out there, put it in front
23 of kids; I mean, that's how I would answer it for you.

24 Q Let me ask you this. Is that information out
25 there?

1 A Yes, sir, that information is available.

2 Q Okay. So then you agree that it should be put in
3 front of kids, that kids should be taught this and maybe
4 some other things too. I understand that. But do you
5 think the children should be taught that if they start to
6 smoke, they may become addicted to cigarettes?

7 MR. CRIST: Object to the form of the question.
8 It's been asked and answered about three or four or
9 five times now.

10 THE WITNESS: If that is an important piece of
11 information that's decided to be put in front of the
12 kids, then, you know--

13 Q (By Mr. Cook) I'm asking you. I'm asking
14 you to determine whether it's important or not. I don't
15 know. Mr. Griscom, I understand that some people are of
16 the opinion that cigarette smoking is not addictive.
17 Therefore, it wouldn't be right to teach children
18 something--I mean, I certainly hope that you don't lie
19 to your children; do you?

20 MR. CRIST: Object to the form of the question.

21 THE WITNESS: No, I've never made it a policy to
22 lie to anybody.

23 Q (By Mr. Cook) I think it's a bad idea, and I'll
24 agree with you about that. See, you think that I want you
25 to give us a broad explanation, and you're going to find it

1 very unpleasant in court by the way. I want you to answer
2 my question, and you said, "If they think it's important."
3 That's why I asked you the question. See, you can only
4 speak for yourself. Should children be taught if they
5 start to smoke that they might become addicted to
6 cigarettes?

7 MR. CRIST: I object to the form of the question.

8 Q (By Mr. Cook) You can say, "Well, I don't think
9 that's important," or "I don't believe it's true, and you
10 shouldn't teach them that, Mr. Cook," but I can't get you
11 to answer that question.

12 MR. CRIST: I object to the form of the question,
13 and I also object on the basis that it's been asked
14 and answered. Try it once more.

15 MR. COOK: What is the answer, Mr. Crist, since
16 you say it's been answered; is it "Yes" or "No"?

17 MR. CRIST: The answer is that there is
18 information available out there with respect to
19 cigarette smoking and addiction and that Mr. Griscom
20 says that it's appropriate to communicate that to
21 children.

22 MR. COOK: The answer then to my question is if I
23 understand because I'll go on--is the answer "Yes"?

24 MR. CRIST: The answer is that information--

25 MR. COOK: No, no, no, I didn't ask him--let me

1 ask that first because you apparently have a little
2 difficulty understanding.

3 MR. CRIST: No, I understand it, Bruce.

4 Q (By Mr. Cook) Okay. Is there information
5 available out there that says that cigarette smoking is
6 addictive?

7 A Yes, sir.

8 Q So I already know--do you know that I know that
9 too?

10 A I would expect that you did or you wouldn't have
11 asked me.

12 Q Okay. Now I'm asking you--the question is, since
13 that information is out there, should it--"should it" be
14 communicated to children?

15 A Yes.

16 Q Good.

17 A But I think I answered that. I'm sorry; I
18 thought I had answered that several times.

19 Q Now should children be told that cigarette
20 smoking causes lung cancer?

21 A Yes.

22 Q Now, Mr. Griscom--

23 A But if--go ahead.

24 Q Now with respect to your initiative with children
25 and smoking that Brennan Dawson is involved in--do you know

1 Brennan Dawson?

2 A Yes, I do.

3 Q She's involved in the--

4 A Among other people, yes, sir.

5 Q Who else is involved in it?

6 A I think--now you're talking about the Tobacco
7 Institute Program and the people involved in that are Susan
8 ~~Stutte~~ ^{Stuntz} and Brennan is involved. I'm sure there's a couple
9 other people because there is as you know a lot of material
10 developed that goes forward so I'm sure there's other staff
11 people at TI that have some role in putting that together.

12 Q What about Jolly Davidson, is she involved?

13 A She's involved as part of the Family Course
14 Consortium, yes.

15 Q Do you know that she no longer works there?

16 A I didn't know that she ever worked for the TI.

17 Q Who does she work for?

18 A I don't know, but I don't think she's ever been a
19 TI employee to the best of my knowledge.

20 Q She speaks for TI on television; who does she
21 speak for?

22 A She speaks for the Family Course Consortium which
23 is the group that is part of the Tobacco Institute program.

24 Q Well, who is she paid by?

25 A I don't know; I mean, that I don't know. It's a

1 detail I don't know.

2 Q How about the Family Course Consortium, who are
3 they funded by?

4 A The Family Course Consortium is funded by a grant
5 from the Tobacco Institute.

6 Q Okay. And who at the Tobacco Institute would you
7 think would know the most about that?

8 A About the funding?

9 Q I'm sorry, about what they do, why they're
10 funded, what they do, who hired them?

11 A Either Susan ~~Stuts~~^{Stuntz} or Brennan Dawson. ✓

12 MR. CRIST: Bruce, when you get to a good point,
13 can we take a break?

14 MR. COOK: Sure. We can take one right now.
15 Off the record.

16 (Break taken from 1:35 p.m. until 1:42 p.m.)

17 MR. COOK: Back on the record.

18 Q (By Mr. Cook) Mr. Griscom, do you own any stock
19 in RJR Nabisco?

20 A I've got a--I've got a loan right now to obtain
21 some stock and then some stock options that are also
22 available to me.

23 Q At what point do you get to buy in?

24 A In May of 1991--I'm sorry--May of 1994--I'm
25 sorry; that's my mistake.

1 Q You get to buy in at that time?

2 A I get to buy a set of stock, yes, and then I've
3 got some options that are available to me at that point.

4 Q How does that work?

5 A I don't know. I've got to figure it out because
6 there's a lot of--

7 Q You're an English major, you know.

8 A I know but there's--but the way it works is I've
9 got some money I've got to put up in May of 1994 if I'm
10 going to obtain the base stock.

11 Q How many shares?

12 A Sixty thousand.

13 Q What I was asking is how much money you have to
14 put up for the shares in 1994?

15 A Well, I had to take a loan for the shares when I
16 came with the company.

17 Q You had to pay the loan off?

18 A That's correct.

19 Q How much was the loan?

20 A The loan amount is around \$300,000, but I did put
21 some money that I had already saved into it so I think I'm
22 correct that the loan face value right now is around
23 \$220,000, something like that.

24 Q Okay. So do you pay interest on the loan?

25 A Yes, sir.

1 Q How much?

2 A Well, my wife takes care of that for us. She
3 does all of our bookkeeping, but we pay quarterly and it's
4 \$3,000 quarterly I would say.

5 Q Could you sell the stock--

6 A Today?

7 Q Yes.

8 A No, sir.

9 Q --because the stock was worth roughly \$600,000
10 and then you'd have \$400,000 in hand if you sold it?

11 A There were certain covenants put on when the
12 stock--and I'm not sure even after May of '94 if all those
13 will have expired or not.

14 Q What other issues have you worked on with the
15 people in the Tobacco Institute; have you worked on the
16 environmental smoke issue?

17 A Yes, sir.

18 Q Are you knowledgeable about that or do you just
19 help them prepare responses?

20 A I have what would probably be called a general
21 knowledge of the issues, but I'm not a scientist so I don't
22 understand all the scientific information that's out there.

23 Q Are you friendly with Dan Quayle?

24 A Yes, I know Senator Quayle very well.

25 MR. CRIST: He was meaning the Vice President.

1 You said, "Senator Quayle."

2 THE WITNESS: Oh, I'm sorry. Well, see, I still
3 think of him from my first contacts. I'm sorry.

4 Q (By Mr. Cook) How about George Bush, do you know
5 George?

6 A Yes, I do.

7 Q He's going to be looking for a job shortly so you
8 keep him in mind. Did you know Sununu?

9 A Yes.

10 Q How long?

11 A I knew Governor Sununu when he was still Governor
12 of New Hampshire.

13 Q Notice I skipped the honorific; did you notice
14 that?

15 A Yes, sir, I did. Now I--

16 Q It was inadvertent.

17 A I had a chance to get to know Governor Sununu
18 both while working for Senator Baker and then through Lamar
19 Alexander who is also a friend of mine and Lamar and
20 Governor Sununu worked quite a bit on education issues.

21 Q How well did you know President Reagan?

22 A I knew him pretty well.

23 Q Did you ever eat with him?

24 A Yes, sir.

25 Q Dinner, breakfast?

1 A Well, most of the time it would be lunch because
2 we would have a weekly luncheon meeting with the President
3 and then off and on depending on what events went on, I was
4 normally included because of my position at the White House
5 in many of the lunch type engagements, things like that.

6 Q Of all the senators who are currently in the
7 Senate, which one would you say that you knew the best,
8 Gore?

9 A Well, Albert and I were newspaper reporters
10 together in Tennessee so we're--we go back to the '70s.

11 Q Would you say you were friendly?

12 A Yes, and we've remained friends over the years.

13 Q Well, that's good; you'll know the Vice President
14 anyway--

15 A That's correct.

16 Q --and it will work out perfect.

17 A I've got friends on both sides of the aisles from
18 the time I stayed in Washington but today probably--I'd say
19 my closest friend in the Senate today is probably Senator
20 Fritz Hollings from South Carolina.

21 Q I like him too.

22 A I do too.

23 MR. CRIST: There was an assumption that was
24 made in that answer. Do you know the Vice
25 Presidential candidate for Perot?

1 MR. COOK: Yes, I do; he's a Navy guy.

2 MR. CRIST: I know, but you said he would know
3 the Vice President either way, and I said, "Well,
4 there's a third option."

5 Q (By Mr. Cook) As an Administrative Aide, did you
6 have any particular background in management?

7 A Are you talking about when I worked for Senator
8 Baker?

9 Q Well, I'm trying to understand--something doesn't
10 seem to make sense to me and that's your position. I see a
11 position that you should have--why someone would want to
12 hire you and that would be because of your communications
13 expertise and your governmental awareness. People who do
14 business--have done business in government know about
15 government but it looks to me like you're running something
16 and it doesn't look to me like from what I know about--
17 you're on the Management Committee for the Tobacco
18 Institute and it doesn't look to me like that fits in with
19 your background or training.

20 A Well, except there's been two times or three
21 times in my career prior to coming to Reynolds where I've
22 managed a number of people. As Administrative Assistant
23 for Senator Baker, I managed the staff of about 34 people
24 both in Washington and in our State offices around the
25 State of Tennessee. As I mentioned earlier, when I ran the

1 Senate Campaign Committee, that was a staff of about 100
 2 people that I had direct responsibility for in managing
 3 their performance and then at the White House, I had a
 4 staff of--probably a comparable size to what I have at
 5 R. J. Reynolds now which is about 70 to 75 people and then
 6 there were budgetary responsibilities as well on three of
 7 those jobs prior to coming to Reynolds.

8 Q May I assume since you're with Reynolds that you
 9 and B. Oglesby probably are friends?

10 A B. and I have been friends for a number of years,
 11 yes, sir.

12 Q I figured that. What about ~~Burley~~ ^{Burleigh}, do you like
 13 ~~Burley~~ ^{Burleigh}?

14 A Yeah, ~~Burley~~ ^{Burleigh} is--

15 Q He's an English major.

16 A That I didn't know; I thought he was a lawyer.

17 Q ~~Burley~~ ^{Burleigh} is an English major from Princeton.

18 MR. CRIST: And a lawyer.

19 THE WITNESS: And a lawyer.

20 MR. COOK: Well, I don't think he is a lawyer;
 21 is he a lawyer?

22 THE WITNESS: Yes.

23 MR. CRIST: Well, he has a law degree. I'm not
 24 sure he was admitted.

25 THE WITNESS: He has never practiced. He got a

1 law degree at night from I think George Washington
2 University if I'm correct, and I think I'm correct.

3 Q (By Mr. Cook) Do you know who he was named
4 after?

5 A No, I do not.

6 Q Do you know who Burley Grimes was?

7 A No, sir.

8 Q Do you have anything to do with the advertisement
9 or promotion of cigarettes?

10 A The only role I would have is as a part of the
11 management group for the company. I do see, you know, the
12 advertising before it actually goes out in the market, but
13 I do not have any direct responsibility for, you know,
14 putting it together or anything like that.

15 Q You would understand the relationship between
16 your program about children smoking and the voluntary
17 advertising code of the tobacco industry though? You have
18 a voluntary advertising code and--

19 A Yes, I know, but I'm not sure what the
20 relationship is between the two. I know about both of
21 them, yes, sir.

22 Q Okay. For example, the voluntary advertising
23 code, the companies have agreed not to use models under 25
24 or who appear to be under 25 years old; are you aware of
25 that?

1 A Yes, sir.

2 Q Why is that?

3 A That was put in so there was no indication of
4 trying to use people who might come across as young.

5 Q The same reason that you wouldn't use Jimmy
6 Hendrix to advertise cigarette smoking; do you know Jimmy
7 Hendrix?

8 A Yes, I know who Jimmy Hendrix was. I've got a
9 son who is 16 and listens to his music as I did when I was
10 growing up because he was really during my time. I think--
11 as it relates to musicians and people like that, I think it
12 isn't just the issue of young people. I think it's also
13 the issue of just using celebrities in general in
14 advertising.

15 Q Why?

16 A I think the industry made a decision several
17 years ago which is, you know, in the code not to use
18 celebrities or people like that to, you know--

19 Q Why did they do that?

20 A I think they decided it was not appropriate to,
21 you know, use those people in tobacco advertising.

22 Q What about the athletic people?

23 A I would assume the same applied because the code
24 was put together, you know, before I came with the company.

25 Q Was it put together in 1962?

1 A There may have been one version but, you know,
2 there have been a couple of revisions over the years.

3 Q To the code?

4 A Yes, sir.

5 Q Can you think of a reason why it would not be a
6 good idea to have Michael Jordan do cigarette
7 advertisement?

8 A Yes, sir, I think--

9 Q What would be the reason?

10 A Well, I think there's more than just a reason. I
11 think one of them is clearly you do not want to have an
12 appeal to young people and by "young people," I'm talking
13 about people underage. Also I think that you do not want
14 to be using people who are seen in one venue as a celebrity
15 to then transfer that celebrity status over to the
16 cigarette advertising.

17 Q He's a role model for children?

18 A I think he's a role model for more than just
19 children.

20 Q The things that he does advertise are something
21 that old people like me generally don't use that much.

22 A You probably have Nike tennis shoes though.

23 Q I do have some tennis shoes but mine are made in
24 the United States in Alabama because I'm an old southern
25 boy and Nikes aren't made there. Do you have some pump up

1 tennis shoes?

2 A No, sir.

3 Q Okay.

4 A And my kids do not either.

5 Q They don't?

6 A No.

7 Q You can afford them now with this new job.

8 A My kids like Nikes.

9 Q Oh, do they?

10 A Yes.

11 Q What about your 16 year old boy, does he read
12 "Rolling Stone"?

13 A Very seldom.

14 Q He does though?

15 A Maybe once or twice a year is all. He does not--

16 Q I mean, how do you know he doesn't read it?

17 A Because he brings it home.

18 Q Oh, he brings it home?

19 A Yeah.

20 Q Why do they have the Winston Cup; why do they do
21 that? I assume it costs your company a lot of money and
22 it's associated with an athletic event; is it not?

23 A It's associated with motor sports, yes.

24 Q Why do they do that; it costs a lot of money,
25 doesn't it?

1 A I do not know how much it costs because--

2 Q You would assume that it costs a lot of money?

3 A I assume that it costs some, yes, sir, but I
4 don't know the amount.

5 Q Is "some" more than a million to you?

6 A I don't--I mean, I can't answer that because
7 that's information that is not, you know, available to me
8 because it's not something that I have responsibility for
9 managing.

10 Q Well, why if they think that they shouldn't use
11 athletes to advertise the sale of cigarettes do they, in
12 fact, then monitor--advertise--sponsor these Winston Cup
13 Races?

14 A I think the company for--gosh, I want to say the
15 association goes back 20-some odd years now with NASCAR and
16 Winston's support of it. It's an event that the audience
17 is 99.5 percent adult.

18 Q Even the television audience?

19 A I don't know what the demographics are on the
20 T.V.

21 Q Do you know that the Winston Cup is on
22 television?

23 A I know that there is coverage on both ESPN, and I
24 think sometimes TBS may cover one or two races, yes.

25 Q How many times do you think that the name,

1 Winston, is said or seen on television during a Winston Cup
2 Race?

3 A That I don't know, but I do know that the company
4 has tried to do as much as it can to not have the--what I
5 would call the brand related logo, you know, within camera
6 angles and things like that.

7 Q Why would they do that?

8 A I--

9 Q I mean, it doesn't make much sense to me that
10 here they would be out advertising their product and then
11 here they get a national audience on television, and they
12 try to avoid it.

13 A I think for two reasons--first, because I think
14 there's a clear understanding that cigarette advertising is
15 no longer allowed on television so I think they would want
16 to try to comply with that and second, that the people who
17 are at those events--there is an audience there many of
18 whom are smokers and there are opportunities there to speak
19 directly to the people at that event because primarily
20 advertising in our industry is designed to get people who
21 may be smoking something else to make, you know, a switch.

22 Q Who told you that?

23 A I've seen that in the literature.

24 Q From whom, where?

25 A I mean, I can't cite them for you, but I--

1 Q You don't know that yourself?

2 A I've read that in literature.

3 Q You've read that so that's what your company
4 says?

5 A Not just our company but there is other
6 literature out there, Marketing people and others in the
7 advertising field, that make the same statement.

8 Q I guess you don't see any community interest
9 between the people in the advertising field and cigarette
10 manufacturers?

11 A No, I didn't say that.

12 Q You do see a community interest between them?

13 A Between, you know, advertisers and any consumer
14 product area.

15 Q Who is the largest advertiser of consumer
16 products in the United States; do you know what industry
17 that is?

18 A No, I don't recall. There was something in "Ad
19 Age" several months ago. I don't remember. All I recall
20 out of it is that there have been statements about the fact
21 that the tobacco industry, you know, stands way up here and
22 in the category list (witness indicating). I think tobacco
23 is at least number ten on that list. There was an article
24 in "Ad Age" several months ago.

25 Q Are you aware of the fact that the tobacco

1 industry spends about \$3 billion a year in promoting and
2 advertising their product?

3 A I have--I am aware of that number whatever--I
4 am not aware of exactly whether it's three or two or one
5 or whatever. I do know there's a number out there, but I
6 can't tell you, "Yes, I know that I've seen that particular
7 number."

8 Q Are you a portion of the group that channels the
9 Tobacco Institute's opposition against any restrictions on
10 advertising?

11 MR. CRIST: Bruce, I'm sorry; I didn't hear the
12 start of the question.

13 Q (By Mr. Cook) Does your committee have to do
14 with dealing with proposals to restrict advertising?

15 A Only in the sense that we would have an overview
16 from the Federal or State side of TI to talk about what
17 programs and issues they're facing but not in terms of
18 designing them.

19 Q Well, there was a proposition out in
20 San Francisco to ban advertising from public transportation
21 of cigarettes; are you familiar with that?

22 A No, sir, I'm not.

23 Q I'm trying to understand, since you don't try to
24 get people to smoke with advertising, why you're opposed to
25 any bans on advertising.

1 MR. CRIST: Object to the form of the question.

2 Go ahead.

3 Q (By Mr. Cook) You are opposed to bans on
4 cigarette advertising; aren't you?

5 A Yeah, we clearly make the point that as long as
6 cigarettes are a legal product in this country that people
7 who choose to smoke ought to have a right to have all
8 information available to them to make a choice.

9 Q The answer to my question is, "Yes, I am opposed
10 to limitations on the right of our industry to advertise"?

11 A We look at making sure that there is an
12 understanding--may I answer--I will answer your question.

13 Q I said, "You"; I didn't mean, "We," but--

14 A Well, I'm sorry. Part of this is my--I use the
15 collective "we" so I will turn back to "I."

16 Q We like to call it regal.

17 A Regal?

18 MR. CRIST: Regal we.

19 THE WITNESS: Oh, I thought you were talking
20 about Senator Riegle. You're talking about a regal.
21 regal, okay. I think that--yeah, I personally believe
22 that you've got to look at advertising issues and
23 issues to ban advertising in the context of
24 commercial free speech.

25 Q (By Mr. Cook) Do you know what the FTC is?

1 A Yes, sir.

2 Q Do you know what the FDA is?

3 A Yes, sir.

4 Q What are they?

5 A Federal Trade Commission and the Federal Trade
6 Commission has the responsibility to look at trade
7 advertising practices in this country.

8 Q What are they constitutionally?

9 A That I don't know.

10 Q Independent regulatory agency.

11 A But they were established by Congress.

12 Q All right. The FTC and the Congress and other
13 people require restrictions on advertising and require you
14 to put certain warnings on cigarette packages and in your
15 advertisements; are you aware of those?

16 MR. CRIST: Object to the form of the question.

17 MR. COOK: Congress requires it.

18 MR. CRIST: Okay. Are you aware that Congress
19 requires warnings?

20 THE WITNESS: Yes.

21 Q (By Mr. Cook) Do you think the warnings are
22 appropriate?

23 A I think that the warnings--again decisions were
24 made to put information out for consumers in general and
25 Congress made that decision and passed the law that the

1 warnings are an appropriate statement from the Surgeon
2 General.

3 Q Now with your background you don't agree with
4 everything Congress does; do you?

5 A I probably, because I have a political persuasion
6 which you're aware of, have been on different sides of
7 issues.

8 Q Well, see, that's why I asked you the question.
9 I realize what Congress required to be done. I know what
10 they did. I even know how they were induced to do it by
11 the tobacco industry.

12 MR. CRIST: I object to that, Bruce.

13 MR. COOK: You're going to really object to it
14 later.

15 Q (By Mr. Cook) But my question to you is, do you
16 think that the warnings that are on cigarettes, that
17 they're useful, that they're appropriate? I know they're
18 required. Do you--

19 A I think--I didn't mean to interrupt you if you
20 were going to say something.

21 Q Sure. You understand my question.

22 A I think that warnings are appropriate in the
23 sense that a decision was made that this ought to be
24 available and that it provides increased awareness to
25 issues regarding smoking and health.

1 Q Okay. Perhaps if I put it in a different fashion
2 for you--just assume for a minute that Reynolds was not
3 required by Congress--not by Congress but by the laws of
4 the United States to place the warnings that they do place
5 on cigarette packages. If you were asked in an executive
6 meeting--let's just say they suddenly removed them and
7 Congress passed a law saying there will be no further
8 warnings required by the laws of the United States on
9 cigarette packages. The cigarette companies are free to
10 warn or not to warn as they see fit. Would you think that
11 a warning would still be appropriate?

12 MR. CRIST: Object to the form of the question.
13 It's hypothetical in nature. Go ahead.

14 THE WITNESS: Because there is in my mind a wide
15 awareness of the issues on smoking and health, I would
16 think that, you know, that information is already
17 out there. It's already available.

18 Q (By Mr. Cook) So there would be no reason to put
19 them on there; there wouldn't be any reason to tell people
20 in the future?

21 A I think the information is there, and I think
22 that information will continue to be there because I
23 clearly have not seen, you know, anything over the years
24 that has decreased the amount of information that people
25 are aware of relating to smoking and health.

1 Q Well, apparently there's some difference of
2 opinion as to whether cigarette smoking is addictive or
3 not; do you agree that there's a difference of opinion?

4 A Yes, sir, I do.

5 Q All right. What do you think?

6 A As a parent?

7 Q No, no, what do you think about--do you think
8 they're addicting or not?

9 A I think there are different meanings to the word
10 "addiction," and that's why I started off my reason--

11 Q Well, see, you obviously have a meaning
12 personally of what you think addicting means; don't you?

13 A Yes, sir.

14 Q Okay. I don't care to know what your definition
15 is because I may ask you later, and I probably will but do
16 you think that cigarettes are addicting?

17 A And for me to answer your question I have to put
18 it in a context for you.

19 Q No, you have to put it in the context for you to
20 think I understand your answer, and I don't care to
21 understand what your definition is. You have a definition.
22 Within the meaning of your own personal definition without
23 telling me what it is, do you think cigarettes are
24 addicting or not addicting?

25 MR. CRIST: Object to the form of the question.

1 Go ahead.

2 THE WITNESS: Well, let me try one more time
3 because I think--I believe there are different types
4 of addiction.

5 Q (By Mr. Cook) Okay. And do you believe that
6 cigarette smoking falls within one of those categories of
7 different types of addiction?

8 A Yes, sir.

9 Q Okay. Do you think the public at large thinks
10 that cigarette smoking is addictive?

11 A Yes, sir, I do.

12 Q Do you know that the Tobacco Institute has taken
13 a position that cigarette smoking is not addictive?

14 A No, I do not know what the Tobacco Institute's
15 position is, no, sir.

16 Q Have you ever discussed that with any people on
17 the Management Committee?

18 A No, sir.

19 Q When you meet with the Executive Committee--who
20 are your counterparts by the way; who is your counterpart
21 from Philip Morris?

22 A Are you talking about the Management Committee
23 now?

24 Q Yes.

25 A Okay.

1 Q Does Craig Fuller meet with you?

2 A No, sir.

3 Q Do you know Craig?

4 A I know Craig.

5 Q I bet you're friends?

6 A Craig and I--Craig's wife worked for me in the
7 White House.

8 Q See. Poor Sandy doesn't even know who Craig
9 Fuller is; do you, Sandy? If you had watched the
10 Republican National Convention like you should have, you
11 would know.

12 A But he is not the Philip Morris representative on
13 the Management Committee.

14 Q Does he ever meet with you on TI things from time
15 to time?

16 MR. CRIST: "TI" being the Tobacco Institute?

17 MR. COOK: Yes.

18 THE WITNESS: Since Craig has been at Philip
19 Morris, we've probably had two general discussions
20 that I've been involved in relating to Tobacco
21 Institute issues.

22 Q (By Mr. Cook) What were those issues?

23 A Both of them had to do with the budget for the
24 Tobacco Institute.

25 Q Was he representing Campbell?

1 A I can't tell you because there were other people
2 there than just Craig in that meeting from Philip Morris.

3 Q Was that at a meeting at the Tobacco Institute?

4 A No, sir.

5 Q Where was the meeting?

6 A The two meetings were at the Washington office of
7 Philip Morris in Washington, D.C.

8 Q Are your contributions to the Tobacco Institute
9 based on market share?

10 A Yes, they are.

11 Q Then they pay more than you do?

12 A That is correct.

13 Q Has there been any discussion about disbanding
14 the Tobacco Institute?

15 A Not since I've been here, no.

16 Q I'm going to do it for you.

17 A Pardon me?

18 Q I'm going to do it for you.

19 A Oh.

20 Q When you have your discussions about the Tobacco
21 Institute, do you keep minutes?

22 MR. CRIST: Is this the Management Committee?

23 MR. COOK: The Management Committee, yes.

24 THE WITNESS: Are you talking about when we have
25 Management Committee meetings--

1 MR. COOK: Yes.

2 THE WITNESS: --are there minutes?

3 MR. COOK: Yes.

4 THE WITNESS: I don't know because we--we've
5 never had anything sent back to us that says, "Here is
6 a set of minutes to be reviewed and approved."

7 Q (By Mr. Cook) Do you take minutes?

8 A I will take some from time to time if it's an
9 issue that I want to come and report back to the company,
10 yes, sir.

11 Q Who would you report to?

12 A I would report to the people who might be
13 affected by a certain topic that's discussed--Jim Johnston.

14 Q Is he your immediate superior?

15 A I report to Jim, yes, sir.

16 Q You shouldn't call me "sir"; I was an enlisted
17 man.

18 A And I was an officer so I should have told you
19 that.

20 Q That's all right. You're giving me one more
21 reason to get even with you, but I already had ample.

22 A But to Jim and B. Oglesby because they are our
23 representatives on the Executive Committee of the Tobacco
24 Institute which meets quarterly and if there's a State
25 issue that comes up, then I would let Roger Mozingo know

1 and those would be the normal people and then if there's a
2 budget issue, I let Larry Armbruster know who is my
3 Controller inside of the company who manages our payments
4 to the Tobacco Institute.

5 Q If there was a Federal issue, who?

6 A B. Oglesby.

7 Q B. Oglesby?

8 A Yes, sir.

9 Q How is Roger?

10 A Pardon me?

11 Q How is Roger, Roger Mozingo?

12 A I think Roger is fine; I saw him yesterday.

13 Q Well, I would have seen him today if I had
14 thought about it but--do you ever deal with Mr. Juchatz?

15 A Yes, sir, I do.

16 Q What type of things do you deal with him on?

17 A Wayne also serves on the Executive Committee so
18 there are issues--

19 Q The Executive Committee of what?

20 A Of the Tobacco Company--there's a difference
21 between the Executive Committee and the Operations
22 Committee.

23 Q Of the Tobacco Institute?

24 A No, of the Tobacco Company, of R. J. Reynolds.

25 Q Okay. Who is on the Executive Committee of the

1 Tobacco Company?

2 A I'm on it, Jim Schroer, Dave Anderson.

3 Q Who is Mr. Anderson?

4 A He's our Chief Financial Officer--Yancey Ford,
5 Dave Iaucco, Carl Ehmann, Andy Schindler, B. Oglesby, Wayne
6 Juchatz, Bob Gordon, Rich ~~Caulfield~~ ^{Kaufman} and Jim Johnston. ✓

7 Q Okay. As a parent before you worked for the
8 tobacco industry, would you have objected to cigarette
9 advertisements by--were you guys down in Chattanooga
10 Atlanta Braves fans?

11 A Oh, yes.

12 Q Did you like Dale Murphy?

13 A When Dale was playing, yeah--he was playing
14 when--

15 Q He's a Mormon; I'm sure he didn't smoke, but I
16 mean, would you have objected to him advertising
17 cigarettes?

18 A I don't think Dale Murphy would have advertised
19 cigarettes because--

20 Q I think Bob Horner would have.

21 A I don't know that.

22 Q He smoked in the clubhouse; you could see him
23 smoking in there. The point is, just so I understand your
24 relationship with the Youth Smoking Program and
25 advertisement, that that type of advertisement you wouldn't

1 approve of because it might attract kids to smoke--Bob
2 Horner, Dale Murphy?

3 A But I don't think the company would be using them
4 in advertisement.

5 Q Right. Again I don't think your company would
6 either but the reason why they wouldn't and why you
7 wouldn't approve of it is because it might encourage
8 children to smoke; isn't that right?

9 A I think that potential is there, yes, sir. As I
10 mentioned earlier, to me there are two reasons not to use
11 celebrities and that is one of them.

12 Q You're 42?

13 A Yes, sir.

14 Q And so you were 22 or 21 when cigarette
15 advertising was taken off the radio and television; it was
16 taken off in 1971?

17 A 1971--yeah, I would have been 21 years old.

18 Q Can you remember the Winston jingle?

19 A Yes, sir.

20 Q Can you remember that there were three?

21 A No, I can't.

22 Q We'll start--let's see--"Winstons taste good like
23 a"?

24 A "Cigarette should."

25 Q "It's what's up front that"?

1 A "Counts," and I didn't know that was a Winston
2 ad.

3 Q Yes, it sure was.

4 A I thought that was a Lucky Strike ad.

5 Q No, it's a Winston ad. There's one more and
6 it's, "It's not how long you make it; it's"?

7 A That one I don't know.

8 Q "How you make it long."

9 A That I didn't know.

10 Q A good English major like you, would you see any
11 hidden sexuality in, "It's not how long you make it; it's
12 how you make it long"?

13 A No, sir.

14 Q Up north they might have taught us that type of
15 stuff; I guess they didn't teach you guys that down south.
16 Do you remember the theme to the Marlboro Man; do you
17 remember what it was?

18 A Yeah, it was the theme from the "Magnificent
19 Seven."

20 Q Do you know who starred in the "Magnificent
21 Seven"?

22 A No, I just can see the vision of the--

23 Q Yul Brenner?

24 A Uh-huh.

25 Q Remember his buddy, Steve McQueen?

1 A I do--no, I don't recall him in the movie.

2 Q Do you remember Steve McQueen?

3 A Yes, I do.

4 Q Do you know if he ever advertised cigarettes?

5 A No, sir, I do not.

6 Q Do you know if Yul Brenner ever advertised
7 cigarettes?

8 A No, sir, I do not.

9 Q You do know what both of them died from; don't
10 you? Remember McQueen, they had the thing about him going
11 down to Mexico to get the Laetrile; do you remember that?

12 A No, I don't.

13 Q Do you remember what Yul Brenner died from?

14 A Yul Brenner died from cancer; that I do know.

15 Q You remember him making commercials for the
16 American Cancer Society; don't you?

17 A No, I don't remember that either; I'm sorry.

18 Q Do you remember the commercial that was made by
19 the guy who played the prosecutor in "Perry Mason," the
20 anti-cigarette smoking commercials he made?

21 A No, sir.

22 Q I'm going to show them all to you.

23 A Okay.

24 Q Have you ever seen "Death In The West," the
25 commercial made by the Marlboro Man against cigarette

1 smoking?

2 A I have not seen it all the way through, but I've
3 seen some of it.

4 Q I don't know that I ever got an answer from you
5 if you had any feeling or understanding how many teenagers
6 start to smoke a year or a day or a week or a month in this
7 country.

8 MR. CRIST: I object to that. It's been asked
9 and answered.

10 MR. COOK: If it has you can favor me with it
11 again.

12 THE WITNESS: Well, when I answered for you, I
13 asked the question if you're talking about, you know,
14 actually when they start or when they may have--

15 Q (By Mr. Cook) Experimented?

16 A --experimented because I think there are
17 different ages there and as a matter of fact in one of--it
18 was stated that--you know, a Surgeon General's Report
19 talked about the age being around 17 or 18 and that
20 experimentation is around 13 or 14 and so that's, you know,
21 the way I answered it before was that piece of it and that
22 out of that--I don't recall exactly although I have seen
23 the University of Michigan Study and others, CDC, about
24 underage smoking and while it does show, you know, the
25 decline, that the incidence is around I want to say

1 12 percent or something like that of that age group.

2 Q Is there any reason you object to making 21 the
3 legal age for smoking cigarettes?

4 MR. CRIST: Object. That question has been
5 asked and answered. Go ahead.

6 THE WITNESS: I think the decision has been made
7 that 18 is the appropriate age--

8 MR. COOK: I understand what the laws are. I'm
9 asking about you. Perhaps you suggested to the
10 people--

11 THE WITNESS: I think 18 is the appropriate age.

12 Q (By Mr. Cook) And do you think 18 is the
13 appropriate age for drinking alcoholic beverages too?

14 A I think the age of 21 is the age that's there,
15 and I have no problem with that age.

16 Q I'm not asking you if you have any problem.

17 A I'm sorry; 21 is fine.

18 Q Twenty-one is fine. What's the difference
19 between cigarette smoking and drinking in your own mind;
20 why should one be 18 and one be 21?

21 A I base that because I look at it that that is a
22 collective decision that's been made, and I'm comfortable
23 with that decision.

24 Q Okay. You wouldn't have any problem having the
25 age to smoke cigarettes be 21?

1 A I think if there's a change of opinion to do
2 that--you know, that issue is out there right now, and I'm
3 comfortable that that decision is 18; and we're working to
4 make that--

5 Q Are there people who have proposed that the age
6 be raised to 21?

7 A I'm not aware of a proposal to 21; I am aware of
8 some to 19. There's at least one or maybe two states where
9 it's 19.

10 Q Do you object to that?

11 A If that is the decision that is made, that is,
12 you know--

13 Q I mean, the Tobacco Institute may take a position
14 on that legislation; what's your feeling about whether you
15 should take a position against it or for it?

16 A You know, I can't--I mean, I haven't--to be
17 honest with you, I haven't thought about those issues
18 because I've never, you know, been asked to react or
19 respond to that issue.

20 MR. COOK: Thank you. I have nothing further.

21

22

23 (END OF THE EXAMINATION AT 2:20 P.M.)

24

25

CERTIFICATION

I, Sandra Harper, Notary Public in and for the County of Forsyth, State of North Carolina at Large, do hereby certify:

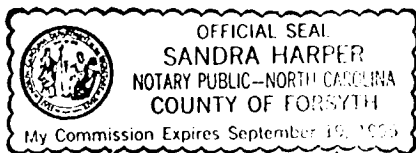
That there appeared before me the foregoing witness at the time and place herein aforementioned;

That the said witness was sworn by me to state the truth, the whole truth and nothing but the truth in said case;

That the testimony was taken before me by stenomask and thereafter reduced to typewriting under my supervision, and the foregoing seventy (70) pages contain a full, true and correct record of all the testimony given by said witness;

That the undersigned is not of kin, nor in any wise associated with any of the parties to said cause of action, nor their counsel, and that I am not interested in the event thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 12th day of October, 1992.



Sandra Harper

Notary Public and Court Reporter

Sandra Harper & Associates

501 Shepherd Street

Winston-Salem, N.C. 27103

50833 4954

1 WITNESS CERTIFICATION

2 I, THOMAS C. GRISCOM, do hereby certify:

3 That I have read and examined the contents of the
4 foregoing pages of testimony as given by me at the time and
5 place herein aforementioned;

6 And that to the best of my knowledge and belief, the
7 foregoing pages of testimony are a complete and accurate
8 record of all the testimony given by me, except for the
9 changes and/or corrections (if any) on the attached errata
10 sheet.

11 Changes and/or corrections
12 have X, have not ,
13 been made on the attached
14 errata sheet.

Th C Griscom

15 (THOMAS C. GRISCOM)

16 I, Lourdes Berube, Notary Public for the
17 County of Forsyth, State of North Carolina,
18 do hereby certify:

19 That Thomas C. Griscom personally appeared
20 before me this the 22nd day of October, 19 92;

21 And I personally witnessed the execution of this
22 document for the intents and purposes herein above
23 described.

24 My Commission Expires 5/20/97



CHIEF CLERK
LOURDES BERUBE
NOTARY PUBLIC NORTH CAROLINA
COUNTY OF FORSYTH
My Commission Expires May 20, 1997

Lourdes Berube

Notary Public

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103

50833 4955

1 WITNESS ERRATA SHEET

2 Upon review of the transcription of my testimony,
3 the following changes and/or corrections should be
4 made to my deposition:

5	PAGE	*	LINE	*	REASON FOR CHANGE
6	1	*	Case Caption	*	Delete all defendants except "CHARLES KUEPER"
7	1	*	Case Caption	*	Change "Plaintiffs" to "Plaintiff"
8	1	*	Case Caption	*	Change defendants to "R. J. REYNOLDS TOBACCO CO., et al."
9	2	*	7-1/2	*	Change "R.J.R." to "R. J. Reynolds Tobacco Co."
10	2	*	19	*	Add "R. J. Reynolds Tobacco Co." after title for Daniel W. Donahue
11	38	*	8	*	Change "Stutts" to "Stuntz"
12	39	*	11	*	Change "Stutts" to "Stuntz"
13	45	*	12, 14, 17	*	Change "Burley" to "Burleigh"
14	64	*	5	*	Change "Iaucco" to "Iauco"
15	7	*	21	*	Change "Paternal" to "Fraternal"
16	12	*	2	*	Insert "for"
17	12	*	8	*	Delete "then"
18	13	*	1	*	Delete "Now"
19	13	*	19	*	Change "Euris" to "Uris"
20	14	*	2	*	Change "internal" to "external"
21	16	*	10	*	Change "Jane" to "Jay"
22	18	*	21	*	Change "campaign" to "campaigns"
23	64		6		Change "Caufield" to "Kaufeld"

24 

25 (THOMAS C. GRISCOM)

Pandra Harper & Associates

501 Shepherd Street
Winston-Salem, N.C. 27103

50833 4956